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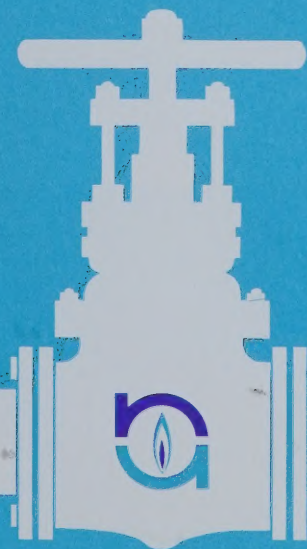
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APR 11 1968

**CANADIAN  
WESTERN  
NATURAL  
GAS**

COMPANY LIMITED

**51<sup>ST</sup>** ANNUAL REPORT



**1962**





51<sup>st</sup>

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31,

1962

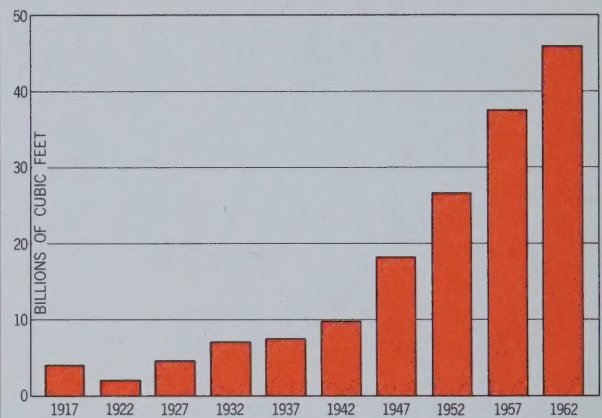
**CANADIAN WESTERN NATURAL GAS**  
COMPANY LIMITED

CALGARY, ALBERTA

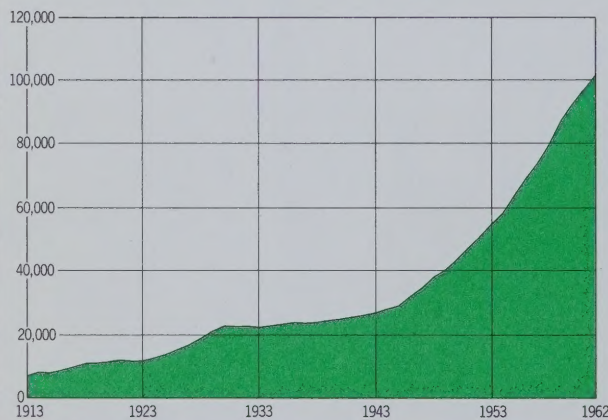


# Our Record of Growth

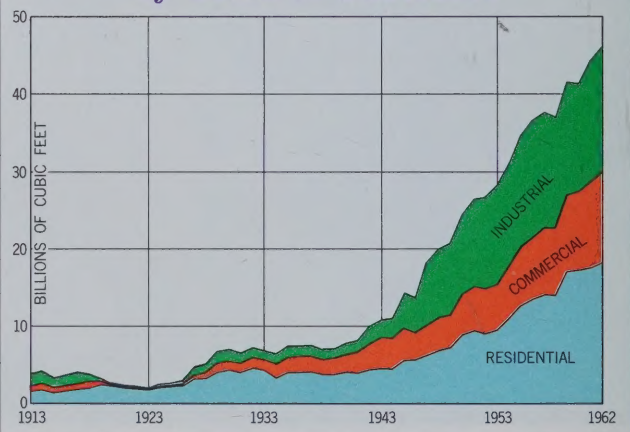
## Annual Gas Sales



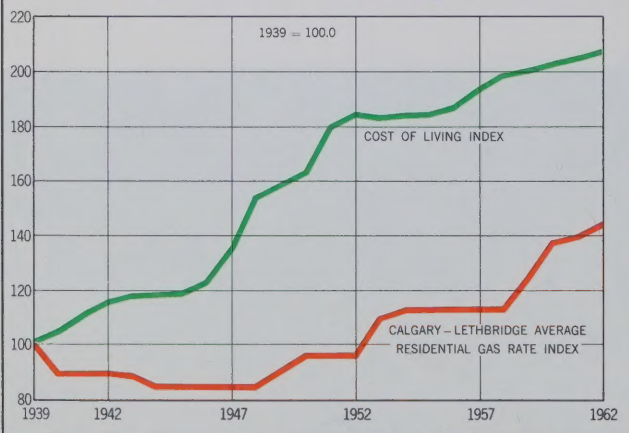
## Customer Growth



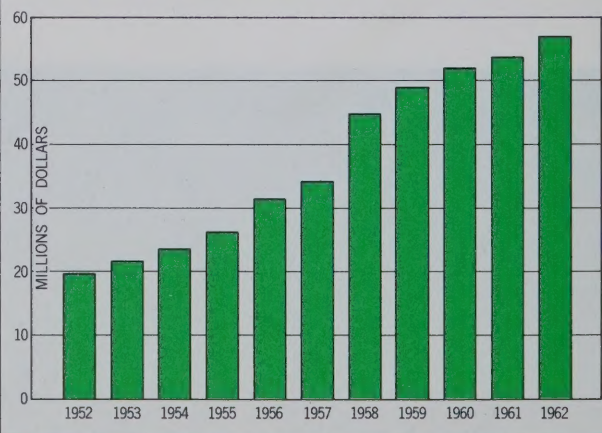
## Annual Gas Sales by Class of Customer



## Average Residential Gas Rate Compared to Cost of Living Index



## Fixed Assets Property, Plant, Gas Wells and Equipment





# CANADIAN WESTERN NATURAL GAS COMPANY LIMITED

## Highlights In Review

	<u>1962</u>	<u>1961</u>	<u>1960</u>	<u>1959</u>	<u>1958</u>	<u>1952</u>
Customers at Year End -----	101,155	96,669	92,206	87,045	79,595	50,622
Natural Gas Sales ---- (thousands of cubic feet)	46,091,183	44,276,166	41,414,287	41,621,657	36,920,958	26,632,554
Revenue from Sale of Gas -----	\$16,925,707	\$15,623,539	\$14,443,248	\$13,061,059	\$10,664,663	\$6,396,441
Net Income -----	\$ 2,372,067	\$ 2,308,112	\$ 2,143,502	\$ 2,114,563	\$ 1,183,003	\$ 576,955
Annual Gross Additions to Plant ---- (1)	\$ 3,567,118	\$ 2,154,889	\$ 3,459,462	\$ 4,460,376	\$10,847,792	\$2,094,694
Miles of Pipeline -----	2,006	1,935	1,904	1,763	1,606	1,004
Maximum Daily Demand ----- (thousands of cubic feet)	246,918	253,613	214,218	225,346	212,814	150,697
Communities Served	85	80	82	63	53	25
Population Served ----	384,000	362,000	349,000	322,000	301,000	188,000

(1) Ten year total of gross additions to Plant \$41,038,768.



# CANADIAN WESTERN NATURAL GAS COMPANY LIMITED

REGISTERED OFFICE: 140 SIXTH AVENUE SOUTHWEST  
CALGARY, ALBERTA, CANADA

## BOARD OF DIRECTORS

	H. R. Milner, Q.C., Honorary Chairman	
A. G. Baalim	K. L. MacFadyen	R. S. Munn
Howard Butcher III	F. C. Manning	J. E. O'Connor
M. E. Hartnett	R. C. McPherson	B. F. Willson
H. M. Hunter	P. D. Mellon	D. K. Yorath

## OFFICERS

D. K. Yorath . . . . .	Chairman of the Company
B. F. Willson . . . . .	President
K. L. MacFadyen . . . . .	Vice-President Comptroller
J. E. Maybin . . . . .	Vice-President—Engineering and Gas Supply
J. A. Scott . . . . .	Vice-President—Administration
M. E. Stewart . . . . .	Vice-President
H. M. Hunter . . . . .	General Manager
H. S. Greenway . . . . .	Secretary
W. L. McPhee . . . . .	Treasurer
A. J. Smith . . . . .	Assistant Secretary
J. H. Miller . . . . .	Assistant Treasurer

## TRANSFER AGENTS

Ordinary Shares:	Montreal Trust Company Calgary, Alberta    Edmonton, Alberta    Toronto 1, Ontario
Preference Shares:	Canadian Western Natural Gas Company Limited Calgary, Alberta Crown Trust Company Montreal 1, Quebec    Toronto 1, Ontario

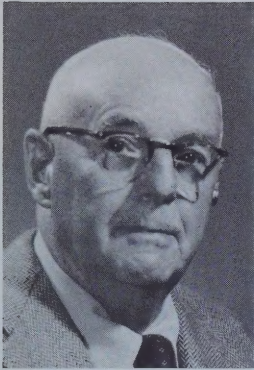
## REGISTRARS

Ordinary Shares:	Montreal Trust Company Calgary, Alberta    Edmonton, Alberta    Toronto 1, Ontario
Preference Shares:	Crown Trust Company Calgary, Alberta    Montreal 1, Quebec    Toronto 1, Ontario

## AUDITORS

Peat, Marwick, Mitchell & Co.  
Room 508, 309 Eighth Avenue Southwest, Calgary, Alberta

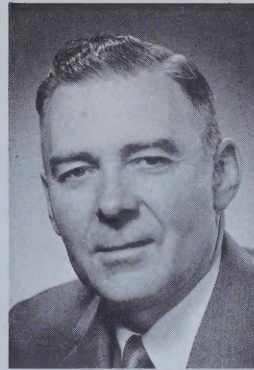




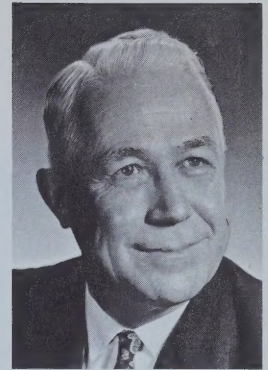
A. G. Baalim



Howard Butcher III



M. E. Hartnett



H. M. Hunter



K. L. MacFadyen

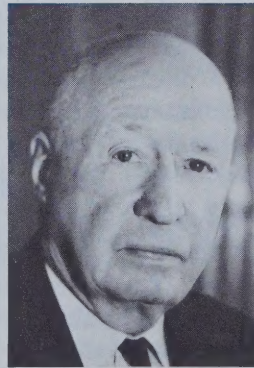
## BOARD OF DIRECTORS



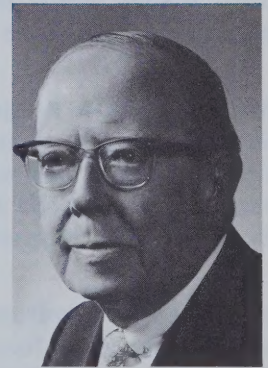
F. C. Manning



R. C. McPherson



P. D. Mellon



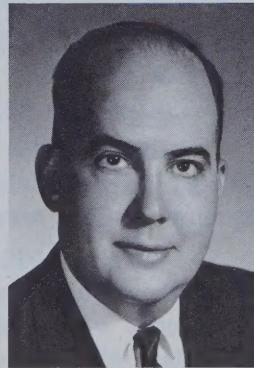
H. R. Milner, Q.C.



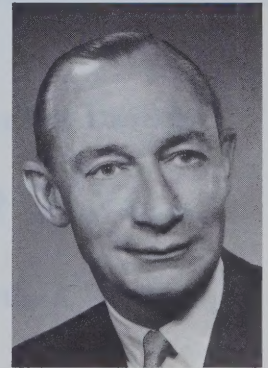
R. S. Munn



J. E. O'Connor



B. F. Willson



D. K. Yorath



# CANADIAN WESTERN NATURAL GAS COMPANY LIMITED

## *Fifty-First Annual Report Of The Directors*

### **To The Shareholders**

The year 1962 established new records in customers served, gas sales, revenue and net income. Highlights of the year's results and comparisons with previous years are shown on page 3 of this report.

During the year gas service was extended to another five communities in Southern Alberta with 85 being served by year-end. Customers who enjoy the benefits of this premium fuel totalled 101,155 by year end, an increase of 4,486 for the year.

Gas sales reached a record high and amounted to 46 billion cubic feet, an increase of 1.8 billion cubic feet, or 4% over the previous 12-month period. Industrial sales showed modest growth and were about 3% higher than those of the previous year. No new major gas consuming industries have located in the Canadian Western service territory for a number of years.

On the whole the weather in 1962 was warmer than the long-term average. Had the weather been normal during the year, it is estimated that the company's gas sales would have amounted to 47.5 billion cubic feet. Therefore the somewhat milder weather resulted in the company's sales being about 3% less than they would have been had the temperature been equivalent to the long-term average.

Gross revenue from gas sales and gas transportation contracts and after the adjustment shown in the Statement of Income was \$16,701,000, an increase of \$1,302,000, or 8.5% over the previous year. Total utility expense, including taxes and depreciation but before bond interest, was \$13,790,000, up \$1,286,000 or 10.3%.

Net income for the year increased by \$64,000 to \$2,372,000, up 2.8%. After providing for dividends on preferred stock the earnings per common share were \$1.09 compared with \$1.05 for the previous year.

During 1962 capital expenditures for new plant and equipment and for the acquisition of additional gas reserves amounted to \$3,567,000. The cost of gross fixed assets (exclusive of intangibles) since the inception of the company now totals \$56,821,000. A considerable portion



of this investment was made at a time when the dollar had a much greater purchasing power than it has today.

No new financing was done during 1962, the capital program being financed from short-term borrowings, funds on hand at the start of the year, retained earnings and depreciation. It is possible that additional permanent financing, probably in the form of the sale of first mortgage bonds, will take place before the end of 1963.

No change in gas rates occurred during the past 12 months. The company's rates continued to rank among the lowest in North America.

During the year the company derived 47% of its annual gas requirements from the Jumping Pound and Sarcee Fields, 34% from the Turner Valley Field and 10% from the Okotoks Field. The balance came largely from the company-owned Carbon and Bow Island Fields, which are essential for meeting high winter demands. As a result of anticipated reductions in the availability of gas from Turner Valley, we are actively studying alternative sources for reinforcing the total gas supplies available to the company.

As a result of the relatively mild year the peak day experienced during 1962 was 247 million cubic feet, some seven million cubic feet less than the peak day of 1961. On January 9th, 1963, severe winter weather imposed a system demand of 284 million cubic feet, the highest ever experienced in the company's history.

It is with regret that we record the passing on August 20, 1962, of Fred Stapells, a long time Director of the company. Due to ill health Mr. Stapells had not stood for re-election at the last annual meeting and therefore was not a Director of the company at the time of his death. We wish to record our appreciation for his many years of valuable service as a Director.

Once again the company has completed another successful year serving the public of Southern Alberta with low-cost, safe and efficient natural gas. The Directors express their appreciation to the loyal employees of the company whose efforts make possible the fulfillment of the company's objectives.

By Order of the Board of Directors,

*B. F. Willson*

B. F. Willson, President

Calgary, Alberta  
February 25th, 1963.



# CANADIAN WESTERN NATURAL GAS COMPANY LIMITED

## *The Year In Review*

### GAS SALES AND REVENUES

Sales of gas increased by 1,815,017 Mcf from the previous year to a record high of 46,091,183 Mcf. Due to the preponderant use of natural gas for space heating in the company's service area, sales are affected greatly by deviations of temperature from the long-time normal. Residential and commercial categories, which are largely space heating, represent about 65% of total sales.

Temperatures in both 1962 and 1961 were above normal. Had the weather been normal, the 1962 sales would have shown an increase of 1,950,000 Mcf over the previous year. It is significant to note that four of the past five years have been warmer than normal.

Commercial sales showed the greatest growth of any class of customer served by the company. The 5% increase in sales in this class reflects the continued growth in the construction of large buildings in the company's service area. Residential sales showed an increase of 4% over the previous year, at much the same growth rate as in 1961.

Industrial sales, which do not vary significantly due to weather, only showed a modest increase of 536,000 Mcf or 3%. The Calgary chemical fertilizer plant of Consolidated Mining and Smelting Company of Canada Limited is still the company's largest industrial customer, using about 30% of total industrial sales. Your company is pursuing an active policy of encouraging major industry to establish in its service area in the hope that greater industrial growth will be experienced in the future.

Revenue from gas sales increased by \$1,302,168 from the previous year to \$16,925,707. The increase is due in part to increased sales, and partly it reflects, on a full-year basis the slightly higher gas rates which went into effect in the last half of 1961. The new rates were necessary because of increased purchased gas costs and higher property taxation.

As a result of a decision of the Public Utilities Board, the price of gas purchased from Turner Valley was increased from 12c per Mcf to 13c per Mcf, effective January 1, 1963. Although this amounts to approximately \$140,000 on a full-year basis, it is the company's present intention to absorb this increase for 1963.



As of December 31, 1962 the recoverable reserves in the fields connected to Canadian Western's system were estimated to be 1,027 billion cubic feet, down from last year's estimate of 1,103 billion cubic feet. The reserve estimate is for fields supplying gas directly to the Canadian Western system and does not take into account the amounts available to Canadian Western for supplementing its own sources through contractual arrangements with Alberta and Southern Gas Co. Ltd., Trans-Canada Pipe Lines Limited and Westcoast Transmission Company Limited.

While large quantities are potentially available through these contracts, in 1962 only about 1.5% of Canadian Western's requirements was purchased under them. This amount was principally utilized for supplying farm dwellings and towns adjacent to the route of the Alberta Gas Trunk Line Company's pipeline system. Purchases were made from Westcoast for the first time during 1962 to enable service to be extended to industries and towns in the Crow's Nest Pass area.

Evidence presented by producers at the hearing in 1962 before the Public Utilities Board about price increases at Turner Valley, confirmed that that field is now entering a new phase of its operations in so far as production of gas is concerned. Until 1962 the total amount of gas produced from the field in each year had been determined by the market available for such gas, whereas in 1963 and following years the total gas production will be limited by production allowables rather than market availability. The production allowables established by the Oil and Gas Conservation Board are designed on oil conservation principles and they will operate in a manner which will result in annually decreasing amounts of gas being available.

The anticipated reductions in annual volumes from Turner Valley, coming at the same time that market requirements are increasing, accelerate the need for the connection of a new source of supply. No new sources were connected to the system in 1962. However, extensive investigation and economic studies are being carried out with a view to a possible addition before the end of 1963.

By the end of 1962 the system capability was 317 million cubic



feet per day. While the winter of 1962-63 has not been unusually severe, there have been days when heavy demands were imposed. The highest demand experienced was on January 9, when 284 million cubic feet were required to meet customers' demands.

On the maximum delivery day, one third of the gas requirements came from the company's own producing properties. Our storage field at Bow Island delivered nearly 40 million cubic feet and the wells at Carbon 55 million cubic feet.

In anticipation of dependence upon the Carbon Field as a source for even greater peak load volumes in 1963 and following years, an additional 1,280 acres of producing rights were acquired in the Carbon Field. Acreage controlled by the company in this area now totals 17,959 acres. The new acreage was obtained under an arrangement which resulted in the drilling of two successful gas wells. Eight wells are now connected and capable of being operated at times of peak load. The two new wells, plus another drilled some years ago, will be connected and ready for operation next winter.

## PLANT EXPANSION

During the year, the company extended service to the communities of Blairmore, Bellevue, Frank and Hillcrest located in the Crow's Nest Pass in Southwestern Alberta, and the community of Cremona, southwest of the City of Red Deer.

Service became economically feasible for these communities as a result of the construction in 1961 of the foothills system of The Alberta Gas Trunk Line Company Limited. Gas for these communities is obtained under the company's contracts with the owners of the gas transported through that system.

Reference has been made in the Gas Supply section to the acquisition of additional acreage and wells in the Carbon Field. Additional transmission and distribution facilities were constructed to serve the 4,486 new customers added to the system during the year, including those in the new communities served from Alberta Trunk Line. In total, gross expenditures on plant for the year were \$3,567,118.



DEPENDABLE natural gas is relied on by Calgarians, especially during severe winter weather. This view of Calgary, looking north at part of the business section, was taken as temperatures dropped below zero in mid-winter.



Due to the attractive rates, customer saturation approaches 100% in the space heating and commercial fields. Growth in the number of customers, therefore, is largely dependent on population increase. Population growth in Alberta has been rapid during the past decade. Canadian census figures, recently released, show that Alberta's population last year increased at the highest percentage rate of any province. In anticipation of continuation of this growth, the company is budgeting for a customer increase of 4,700 in 1963.

The company will continue its policy of extending natural gas service where economically possible to all customers and communities in its service area.

Capital expenditures are estimated at \$4,020,000 for 1963. In addition to provision for construction of the production, transmission and distribution facilities necessary to serve new customers, it is planned to build a new operating service centre in Calgary, which will serve as a central base for construction, service and maintenance activities. The existing building has been used for many years, and with the rapid growth in scope of operations has become extremely overcrowded. The new facilities, which are designed to meet growth well into the future, will increase the efficiency of the overall operation.

In January, 1963, the Board of Directors appointed three new Vice-Presidents. Mr. John E. Maybin was appointed Vice-President—Engineering and Gas Supply, Mr. James A. Scott, Vice-President—Administration, and Mr. Murray E. Stewart, Vice-President. Similar appointments were made in our associated company, Northwestern Utilities, Limited, of which Mr. Stewart is General Manager.

MANAGEMENT



# CANADIAN WESTERN NATURAL GAS COMPANY LIMITED

## BALANCE SHEET

(with comparative figures for 1961)

### ASSETS

	1962	1961
<b>Fixed assets:</b>		
Property, plant, gas wells and equipment—at cost .....	\$56,821,364	\$53,669,553
Deduct amortization and depreciation .....	14,173,624	13,046,602
	<u>42,647,740</u>	<u>40,622,951</u>
Undertaking, franchises, gas rights, etc. in respect of which no provision for amortization is being made (including \$2,000,000 par value ordinary shares in Calgary Gas Company, Limited) acquired through issue of ordinary shares .....	8,000,000	8,000,000
	<u>50,647,740</u>	<u>48,622,951</u>
Investments not having market quotations—at cost, less reserve .....	<u>5,591</u>	<u>3,612</u>
<b>Current assets:</b>		
Cash .....	134,606	563,621
Short term investments—at cost .....	—	450,000
Marketable securities—at cost (quoted market value \$197,680; 1961 \$259,133) .....	38,125	35,125
Accounts receivable (including \$75,000 of unbilled revenue which is less than estimated) less allowance for doubtful accounts .....	1,574,793	1,718,586
Due from parent and affiliated companies .....	31,883	189,058
Materials and supplies—at or below average cost .....	573,692	712,206
Total current assets .....	<u>2,353,099</u>	<u>3,668,596</u>
Additional revenue to be collected up to December 31, 1962 as allowed by The Board of Public Utility Commissioners .....	—	123,750
Unamortized debt discount and expense .....	<u>394,634</u>	<u>428,388</u>
Other prepaid expenses and deferred charges .....	<u>74,074</u>	<u>9,619</u>
Approved on behalf of the Board:		
D. K. YORATH, Director		
B. F. WILLSON, Director		
	<u>\$53,475,138</u>	<u>\$52,856,916</u>

Statement in accordance with Section 122(6) of The Companies Act (Alberta):

Calgary Gas Company, Limited, a subsidiary company, is not an operating company and consequently there are no earnings or deficit to be dealt with in the accounts of the above company.

PEAT, MARWICK, MITCHELL & CO.  
Chartered Accountants



# CANADIAN WESTERN NATURAL GAS COMPANY LIMITED

December 31, 1962

(figures for 1961)

## LIABILITIES

	1962	1961
Capital stock and surplus:		
Preference shares (Note 1) .....	\$ 9,508,200	\$ 9,508,200
Ordinary shares:		
Authorized—3,000,000 shares without nominal or par value		
Issued—1,780,000 shares .....	10,799,000	10,799,000
Earned surplus (Note 2) .....	10,346,694	9,749,955
General reserve .....	1,711,541	1,711,541
	22,857,235	22,260,496
Total capital stock and surplus .....	32,365,435	31,768,696
Funded debt (Note 3) .....	14,458,000	15,440,000
5½% note payable to parent company, due September 20, 1963 .....	—	1,250,000
	—	1,250,000
Current liabilities:		
Demand notes payable to bank .....	450,000	—
Demand note payable to affiliated company .....	900,000	—
Accounts payable and accrued charges .....	1,890,805	1,040,766
Interest accrued on funded debt .....	238,465	252,304
Interest accrued on consumers' deposits .....	176,428	149,312
Sinking fund payments due within one year .....	—	137,000
Income taxes accrued .....	1,069,747	1,043,930
Other taxes accrued .....	440,556	432,357
Total current liabilities .....	5,166,001	3,055,669
Consumers' deposits .....	815,407	743,077
Reserves:		
Contributions for extensions .....	372,929	317,257
Miscellaneous .....	297,366	282,217
	670,295	599,474
	\$53,475,138	\$52,856,916

The accompanying notes are an integral part of the financial statements and should be read in conjunction therewith.



# CANADIAN WESTERN NATURAL GAS COMPANY LIMITED

## Statement of Income

YEAR ENDED DECEMBER 31, 1962  
(with comparative figures for 1961)

	1962	1961
Natural gas sales .....	\$16,925,707	\$15,623,539
Less additional revenue for 1959 (as allowed by The Board of Public Utility Commissioners) presumed to have been collected during the year .....	(225,000)	(225,000)
	<u>16,700,707</u>	<u>15,398,539</u>
Operating expenses and taxes:		
Natural gas purchased .....	5,348,094	4,762,693
Operating .....	3,493,975	3,267,171
Maintenance .....	598,064	614,291
Directors' fees .....	7,850	6,200
Taxes—income (Note 4) .....	1,999,000	1,650,000
Taxes—other than income .....	1,232,052	1,107,233
Depreciation—exclusive of \$133,390 included in other expenses (1961—\$140,244) .....	1,110,775	1,096,466
	<u>13,789,810</u>	<u>12,504,054</u>
Net operating income .....	<u>2,910,897</u>	<u>2,894,485</u>
Other income:		
Interest and dividends .....	42,285	39,163
Rent .....	203,350	217,362
Miscellaneous .....	104,559	77,026
	<u>350,194</u>	<u>333,551</u>
	<u>3,261,091</u>	<u>3,228,036</u>
Income deductions:		
Interest on long term debt .....	805,567	833,517
Proportion written off debt discount and expense .....	33,753	34,898
Consumers' deposit and sundry interest .....	49,704	51,509
	<u>889,024</u>	<u>919,924</u>
Net income .....	<u>\$ 2,372,067</u>	<u>\$ 2,308,112</u>

The accompanying notes are an integral part of the financial statements and should be read in conjunction therewith.



# CANADIAN WESTERN NATURAL GAS COMPANY LIMITED

## Statement of Earned Surplus

YEAR ENDED DECEMBER 31, 1962

Balance at December 31, 1961 .....		\$ 9,749,955
Add net income for the year .....		2,372,067
		<hr/> 12,122,022
 Deduct:		
Dividends paid:		
4% cumulative preference shares .....	\$ 220,328	
5½ % cumulative preference shares .....	220,000	
Ordinary shares .....	1,335,000	1,775,328
Balance at December 31, 1962 .....		<hr/> <hr/> \$10,346,694

The accompanying notes are an integral part of the financial statements and should be read in conjunction therewith.

## Auditors Report to the Shareholders

We have examined the balance sheet of Canadian Western Natural Gas Company Limited as of December 31, 1962 and the statements of income and earned surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the company, the accompanying balance sheet and statements of income and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company at December 31, 1962 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year except for the change referred to in note 4 to the financial statements.

Calgary, Alberta  
February 6, 1963

PEAT, MARWICK, MITCHELL & CO.  
Chartered Accountants

# CANADIAN WESTERN NATURAL GAS COMPANY LIMITED

## Notes to Financial Statements

DECEMBER 31, 1962

### 1. Preference shares:

#### Authorized:

600,000 shares of the par value of \$20 each, issuable in series, of which 325,000 shares have been designated as Cumulative Redeemable Preference shares 4% series and 200,000 shares have been designated as Cumulative Redeemable Preference shares 5½ % series.

Issued and redeemable at the option of the company on 30 days' notice at \$20.60 per share:

275,410 shares 4% series .....	\$ 5,508,200
200,000 shares 5½ % series .....	4,000,000
	<u>\$ 9,508,200</u>

2. The Trust Deed securing the First Mortgage Bonds imposes certain restrictions upon the payment of dividends and management fees and upon the redemption or repayment of the Company's preference and ordinary shares.

### 3. Funded debt, less sinking fund payments due within one year:

	<u>1962</u>	<u>1961</u>
3½ % First Mortgage Sinking Fund Bonds, Series A, due April 1, 1971 ....	\$ 8,000,000	\$ 8,000,000
Less redeemed and cancelled .....	<u>3,000,000</u>	<u>2,650,000</u>
	5,000,000	5,350,000
Less purchased for sinking fund .....	<u>704,000</u>	<u>314,000</u>
	4,296,000	5,036,000
Less sinking fund payment due within one year .....	<u>-</u>	<u>36,000</u>
	<u>4,296,000</u>	<u>5,000,000</u>
5¾ % First Mortgage Sinking Fund Bonds, Series B, due February 1, 1982	7,000,000	7,000,000
Less redeemed and cancelled .....	<u>700,000</u>	<u>560,000</u>
	6,300,000	6,440,000
Less purchased for sinking fund .....	<u>185,000</u>	<u>109,000</u>
	6,115,000	6,331,000
Less sinking fund payment due within one year .....	<u>-</u>	<u>31,000</u>
	<u>6,115,000</u>	<u>6,300,000</u>
5¾ % First Mortgage Sinking Fund Bonds, Series C, due April 1, 1983 ....	4,500,000	4,500,000
Less redeemed and cancelled .....	<u>360,000</u>	<u>270,000</u>
	4,140,000	4,230,000
Less purchased for sinking fund .....	<u>93,000</u>	<u>20,000</u>
	4,047,000	4,210,000
Less sinking fund payment due within one year .....	<u>-</u>	<u>70,000</u>
	<u>4,047,000</u>	<u>4,140,000</u>
Total funded debt less sinking fund payments due within one year ....	<u>\$14,458,000</u>	<u>\$15,440,000</u>



# CANADIAN WESTERN NATURAL GAS COMPANY LIMITED

## Notes to Financial Statements

(Continued)

4. When computing taxable income for the years 1954 to 1961 inclusive, depreciation has been claimed at maximum rates permitted by the income tax act (being a greater allowance than that provided for in the accounts of the company) which effected a postponement in income taxes to future years of a total amount of \$1,804,000. It is the company's intention for 1962 to claim depreciation for tax purposes only to the extent that depreciation has been provided for in its accounts. If the provision for income tax had been computed on a basis consistent with that of the preceding year the income tax expense and the accrued liability therefor would have been approximately \$261,000 less and the net income correspondingly higher than that shown in the accompanying statements.

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## CALGARY GAS COMPANY, LIMITED

Subsidiary of

CANADIAN WESTERN NATURAL GAS COMPANY LIMITED

## Balance Sheet

December 31, 1962

### ASSETS

Franchises and Rights .....	\$2,000,000
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### SHARE CAPITAL

Authorized and Issued:	
20,000 ordinary shares of \$100 each .....	\$2,000,000

Approved on behalf of the Board:

D. K. YORATH, Director

B. F. WILLSON, Director

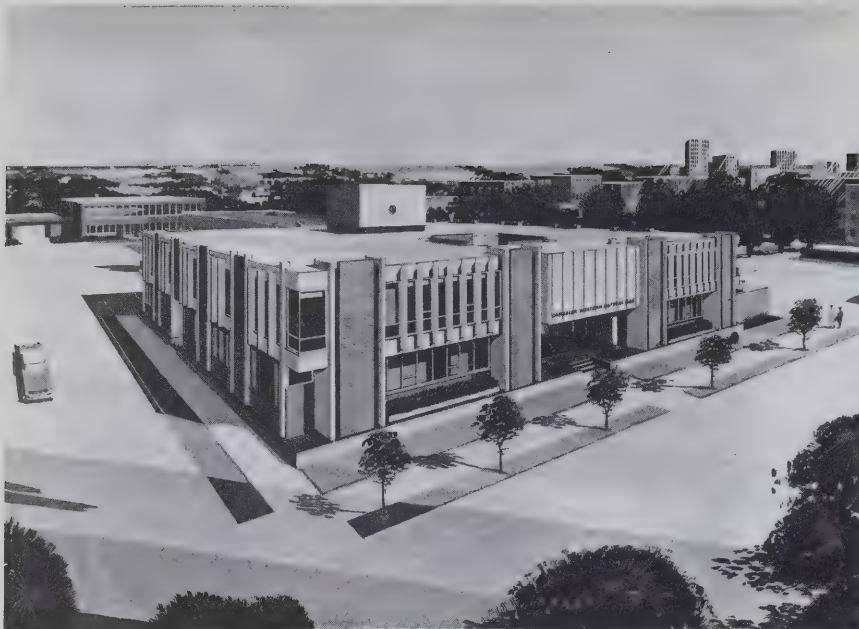
## Auditors' Report to the Shareholders

We have examined the balance sheet of Calgary Gas Company, Limited as of December 31, 1962 and have obtained all the information and explanations we have required. In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the company, the accompanying balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company at December 31, 1962, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PEAT, MARWICK, MITCHELL & CO.

Chartered Accountants

Calgary, Alberta  
February 6, 1963



NEW SERVICE CENTRE planned for Calgary in 1963 is seen in this architect's sketch. The building, required to meet expanding service requirements by the Company's customers, will provide adequate quarters for Canadian Western's operating departments.

CHECKING well-head installation of one of the 50-year-old wells at Bow Island, original source of supply for Calgary and Lethbridge dating back to 1912. Today Bow Island is an important storage field, from which gas is supplied to the southern half of the system, especially during peak winter consumption.



NATURAL GAS SERVICE was extended in 1962 to the Crow's Nest Pass communities of Blairmore, Bellevue, Hillcrest, and Frank. During construction of the transmission line in this area it was necessary to lay 8,000 feet of pipe in the bottom of Crowsnest Lake. Here we see a boat and barge used in construction of this line.



CONTINUOUS GROWTH is experienced in Southern Alberta, especially in commercial buildings such as these large new office structures being built in downtown business section of Calgary.



## Combined Statistical Data

RELATING TO

Alberta's Major Associated Natural Gas Utility Companies

CANADIAN WESTERN NATURAL GAS COMPANY LIMITED

NORTHWESTERN UTILITIES, LIMITED

	<u>1962</u>	<u>1961</u>	<u>1960</u>	<u>1959</u>	<u>1958</u>	<u>1952</u>
Customers at Year End .....	205,350	195,385	185,885	176,254	163,121	100,883
Natural Gas Sales .... (thousands of cubic feet) (1)	105,981,210	98,264,333	95,701,560	94,267,441	85,635,071	50,548,768
Revenue from Sale of Gas .....	\$36,900,355	\$33,991,895	\$32,630,158	\$27,760,098	\$22,669,752	\$12,822,063
Net Income .....	\$ 5,445,339	\$ 5,233,345	\$ 5,042,631	\$ 4,647,750	\$ 3,429,354	\$ 1,739,709
Annual Gross Additions to Plant .... (2)	\$ 7,868,425	\$ 4,732,698	\$ 6,695,200	\$ 8,943,442	\$18,271,623	\$ 5,583,373
Miles of Pipeline .....	4,554	4,413	4,288	4,075	3,765	2,230
Maximum Daily Demand .....	565,817	564,861	481,170	516,639	463,394	297,679
(thousands of cubic feet)						
Communities Served	164	155	155	133	113	50
Population Served	808,000	768,000	739,000	694,000	649,000	397,000

(1) Due to the institution of therm billing in Northwestern Utilities, Limited, in 1959, natural gas sales for that Company have been adjusted to a 1,000 B.T.U. equivalent basis for the years 1959, 1960, 1961 and 1962.

(2) Ten year total gross additions to Plant \$84,249,199.

## SYSTEM MAP

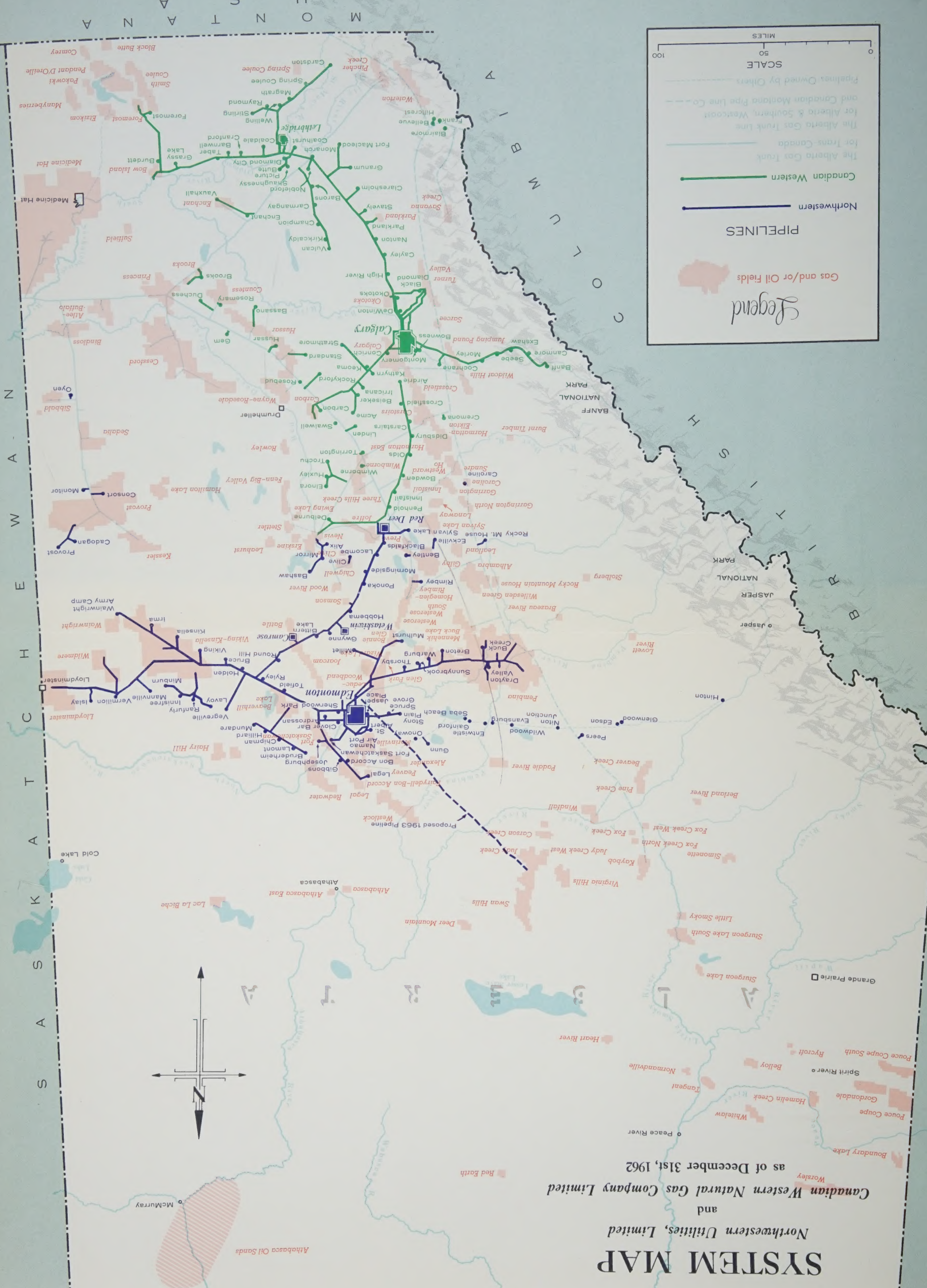
*Canadian Western Natural Gas Company Limited  
and Northwestern Utilities, Limited*

← Fold out



# SYSTEM MAP

Northwestern Utilities, Limited  
and  
Canadian Western Natural Gas Company Limited  
as of December 31st, 1962



Legend

PIPES

Northwestern

Canadian Western

The Alberta Gas Trunk

for Alberta & Southern Western

and Canadian Montana Pipe Line Co.

Pipelines Owned by Others

SCALE

0 50 100

MILES









